

**Members of the Senate Banking and Financial Institutions Committee  
2007 Session**

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**Senate Banking and Financial Institutions Committee**  
**2007**  
**Rules of Operation**

1. These Committee Rules of Operation shall be consistent with the Senate Rules regarding establishment of Rules of Operation.
2. All meetings of the Committee shall be open to the public in accordance with Senate Rule.
3. The Committee shall meet at the time and place designated by the Secretary of the Senate and approved by the Committee on Administrative Affairs.
4. Quorum shall be six (6) members.
5. The Chairman shall determine bills and resolutions to be considered and the order in which such are called.
6. The Chairman shall have the authority to refer bills and resolutions to subcommittees for study. Such subcommittees shall have the authority to make recommendations to the full committee. All actions of any subcommittee shall be approved or disapproved by the standing committee.
7. The Committee shall convene, recess, and adjourn upon the order of the Chairman.
8. Committee rules may be amended by a two-thirds vote of the full membership of the Committee.
9. A bill, resolution, or other matter shall be considered only after presentation by its principal author or his or her designee. The principal author shall be notified in writing at his or her Capitol office no less than twenty-four (24) hours prior to the scheduled presentation. In the event more than one member of the General Assembly has signed a measure, the principal author shall be the one whose name appears first in the list of authors.
10. Precedence of motions shall be as set out in the Senate Rules.
11. The proceedings of all meetings shall be reduced to writing. The recording of the minutes of the committee and subcommittee meetings shall comply with Senate Rule.
12. Any member or members of the committee who disagree with the majority committee report shall have the privilege of filing a minority report. The minority report must state succinctly the reasons for the dissent.
13. Where the rules are silent on a specific issue, the Rules of the Senate shall apply.

**MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS  
COMMITTEE  
Tuesday, January 30<sup>th</sup>, 2007**

The Senate Banking and Financial Institutions Committee held its first meeting of the 2007 Session on Tuesday, January 30<sup>th</sup>, in room 125 of the Capitol. Chairman Bill Hamrick called the meeting to order at 1:25 pm. Members present at the meeting were as follows:

Senator Hamrick, 30<sup>th</sup>, Chairman  
Senator Ralph Hudgens, 47<sup>th</sup>, Vice Chair  
Senator Ed Tarver, 22<sup>nd</sup>, Secretary  
Senator John Bulloch, 11<sup>th</sup>  
Senator Ed Harbison, 15<sup>th</sup>  
Senator Jack Murphy, 27<sup>th</sup>

Senator Chip Rogers, 21<sup>st</sup>  
Senator Nancy Schaefer, 50<sup>th</sup>  
Senator David Shafer, 48<sup>th</sup>  
Senator Steve Thompson, 33<sup>rd</sup>  
Senator Jeff Mullis, 53<sup>rd</sup>, Ex-Officio

Chairman Hamrick called the meeting to order. Members of the staff and the committee were introduced. The Committee Rules were read and Senator Hamrick asked if any member would like to make a motion on the adoption of the rules. Senator Bulloch made a motion to adopt the rules, and Senator Mullis seconded the motion. The vote was unanimous in favor of adoption of the rules.

The committee began a hearing on **SB 70**:

**SB 70 (Hamrick, 30<sup>th</sup>) Financial Institutions; update banking laws to reflect changes in federal law**

Commissioner **Rob Braswell** of the Georgia Department of Banking and Finance explained and discussed **SB 70**, which would update banking laws to reflect changes in federal law regarding financial institutions. Commissioner Braswell stated that this was simply a housekeeping bill that would align Georgia law with applicable federal rules and regulations. Chairman Hamrick asked if there were any questions. Senator Hudgens asked Commissioner Braswell if the reserves would be affected that do business with school boards and municipalities? Commissioner Braswell answered no. Senator S. Thompson asked in Section 22, does the letter to desist need to be certified? Commissioner Braswell answered yes. Chairman Hamrick closed the meeting with a short summary, stating that this was a hearing on a very large bill and he wanted to meet further with the Commissioner. He also wanted to get the bill out for further review and get feedback on the bill. There would be another meeting next week to hear the bill again and take it up for a possible vote. He asked that if there were comments or suggestions to please contact him in the next couple of days following this meeting.

With no further business, Chairman Hamrick, 30<sup>th</sup>, adjourned the meeting at 2:05 p.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22<sup>nd</sup>, Secretary

/s/ Laurie Sparks, Recording Secretary

**MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS  
COMMITTEE  
Tuesday, February 6<sup>th</sup>, 2007**

The Senate Banking and Financial Institutions Committee held its second meeting of the 2007 Session on Tuesday, February 6<sup>th</sup>, in room 125 of the Capitol. Chairman Bill Hamrick called the meeting to order at 1:20 pm. Members present at the meeting were as follows:

Senator Hamrick, 30<sup>th</sup>, Chairman  
Senator Ralph Hudgens, 47<sup>th</sup>, Vice Chair  
Senator Ed Tarver, 22<sup>nd</sup>, Secretary  
Senator Jack Murphy, 27<sup>th</sup>

Senator Nancy Schaefer, 50<sup>th</sup>  
Senator David Shafer, 48<sup>th</sup>  
Senator Jeff Mullis, 53<sup>rd</sup>, Ex-Officio

**Note:** Senators Bulloch, 11<sup>th</sup>, Harbison, 15<sup>th</sup>, Rogers, 21<sup>st</sup>, and Thompson, 33<sup>rd</sup>, were absent from the meeting.

Chairman Hamrick called the meeting to order. The committee began a second hearing on SB 70.

**SB 70 (Hamrick, 30<sup>th</sup>) Financial Institutions; update banking laws to reflect changes in federal law**

Commissioner **Rob Braswell** of the Georgia Department of Banking and Finance explained and discussed **SB 70**, which would update banking laws to reflect changes in federal law regarding financial institutions. Commissioner Braswell focused on several issues in his second presentation of this legislation before the committee. He stated that in **Section 1** there was an accounting issue where they were trying to limit “Good Will” as an asset in loan and investment determinations because it inflated the value and created artificially high limits. Commissioner Braswell moved on to explain some other minor changes such as **Section 3** allowing shareholders to vote electronically and **Section 4** added federal share/exchange languages which would allow merging banks to simplify the process. The Corporation section of the Georgia Code allows it and this would just add it to the Financial Institutions section. The last sections of the bill updated the Georgia laws to make them more consistent with Federal regulations. Commissioner Braswell ended his commentary stating that SB 70 was a basic housekeeping bill for the Department of Banking and Finance and he would appreciate the committee’s favorable support.

**Note:** Senator Shafer, 48<sup>th</sup>, left during the discussion.

Chairman Hamrick said after his discussions last week with the Commissioner he was comfortable with the bill as it was presented. Chairman Hamrick thanked Commissioner Braswell for his time and asked if anyone would like to make a motion if there were no further matters for discussion. A Motion of Do Pass was made by Senator Hudgens and Senator Murphy seconded the motion. The vote was unanimous (5-0) in favor of ***Do Pass***.

**SB 70 Do Pass**

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With no further business, Chairman Hamrick, 30<sup>th</sup>, adjourned the meeting at 2:15 p.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22<sup>nd</sup>, Secretary

/s/ Laurie Sparks, Recording Secretary

**MINUTES OF THE SENATE BANKING AND FINANCIAL INSTITUTIONS  
COMMITTEE  
Tuesday, March 13<sup>th</sup>, 2007**

The Senate Banking and Financial Institutions Committee held its final meeting of the 2007 Session on Tuesday, March 13<sup>th</sup>, in room 450 of the Capitol. Chairman Bill Hamrick called the meeting to order at 1:00 pm. Members present at the meeting were as follows:

Senator Hamrick, 30<sup>th</sup>, Chairman  
Senator Ralph Hudgens, 47<sup>th</sup>, Vice Chair  
Senator Ed Tarver, 22<sup>nd</sup>, Secretary  
Senator John Bulloch, 11<sup>th</sup>

Senator Jack Murphy, 27<sup>th</sup>  
Senator Chip Rogers, 21<sup>st</sup>  
Senator Nancy Schaefer, 50<sup>th</sup>  
Senator David Shafer, 48<sup>th</sup>

**Note:** Senators Harbison, 15<sup>th</sup>, Thompson, 33<sup>rd</sup>, and Mullis, 53<sup>rd</sup>, were absent from the meeting.

Chairman Hamrick called the meeting to order and began hearing **HB 96**.

**HB 96 (Mills, 25<sup>th</sup>) State depositories; Federal Home Loan Banks; secure state funds**

**Senator Hamrick** stated that he would be carrying **HB 96** in the Senate and that the purpose of the bill was to amend the code to allow the Director of the Office of the Treasury and Fiscal Service (OTFS) to accept Letters of Credit issued by the Federal Home Loan Bank as a collateral method for state depositories to use in securitizing public deposits. Senator Hamrick asked **Christopher Kratzer**, Federal Home Loan Bank, to speak to the bill. Mr. Kratzer said this legislation adds Letters of Credit from the Federal Home Loan Bank to the list of alternative securitization methods to satisfy collateral requirements for public unit deposits pursuant to approval of the Director of OTFS. He went on to explain that public deposits are important balance sheet and asset/liability management tools for Georgia financial institutions, and that these deposits were reliable and often renewable sources of funding for banks of all sizes. Mr. Kratzer explained that Letters of Credit enhanced the ability of these institutions to provide important credit and liquidity to the communities they serve. Because Georgia law allows for a menu of securitization methods to satisfy collateral requirements, Georgia financial institutions are able to shop for the most appropriate or cost effective collateralization methods. This bill simply would allow for a reference to Letters of Credit in the menu. Both the Georgia Bankers Association and Community Banker's Association of Georgia were in support of **HB 96**.

Chairman Hamrick asked for questions. There being none, Chairman Hamrick thanked Mr. Kratzer for his time and asked if anyone would like to make a motion if there were no further matters for discussion. A Motion of Do Pass was made by Senator Bulloch and Senator Tarver seconded the motion. The vote was unanimous (7-0) in favor of **Do Pass**.

**HB 96 Do Pass**

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With no further business, Chairman Hamrick, 30<sup>th</sup>, adjourned the meeting at 2:15 p.m.

Respectfully submitted,

/s/ Senator Ed Tarver, 22<sup>nd</sup>, Secretary

/s/ Laurie Sparks, Recording Secretary

May 7, 2007

Honorable Bob Ewing  
Secretary of the Senate  
State Capitol  
Room 353  
Atlanta, GA 30334

Dear Mr. Ewing:

Along with the minutes of the **Senate Banking and Financial Institutions Committee**, please accept this letter as record that there were zero Bills and Resolutions left in the committee following the 2007 Session of the Georgia General Assembly.

Respectfully submitted,

/s/ Laurie Sparks  
Recording Secretary  
Senate Banking and Financial Institutions Committee